

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN

FINANCIAL REPORT WITH
SUPPLEMENTARY INFORMATION

MARCH 31, 2008

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.06)

Unit Name* TOWNSHIP OF PERRY	County* SHIAWASSEE	Type* TOWNSHIP	MuniCode* 78-1-100
Opinion Date-Use Calendar* Aug 20, 2008	Audit Submitted-Use Calendar* Sep 5, 2008	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input checked="" type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/> ?	18. Are there reported deficiencies?
<input type="checkbox"/> ?	19. If so, was it attached to the audit report?

General Fund Revenue:	<input type="checkbox"/> \$ 431,825.00
General Fund Expenditure:	<input type="checkbox"/> \$ 400,116.00
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	<input type="checkbox"/> \$ 187,109.00
Governmental Activities Long-Term Debt (see instructions):	<input type="checkbox"/>

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* LORI	Last Name* CHANT	Ten Digit License Number* 1101020651		
CPA Street Address* 217 N WASHINGTON ST	City* OWOSSO	State* MI	Zip Code* 48867	Telephone* +1 (989) 723-8227
CPA Firm Name* DEMIS & WENZLICK, P.C.	Unit's Street Address* 2770 ELLSWORTH RD	Unit's City* PERRY	Unit's Zip* 48872	

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
MARCH 31, 2008

ELECTED OFFICIALS

Sidney Grinnell	Supervisor
Sandra Michalck	Clerk
Troy Parmalee	Treasurer
Elizabeth Andrus	Trustee
Patsy Force	Trustee

TOWNSHIP OF PERRY

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MARCH 31, 2008

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DEMIS and WENZLICK, P.C.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Township of Perry
Shiawassee County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Perry as of and for the year then ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township of Perry as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The introductory section and the other supplemental information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Dennis and Wenglich, P.C.

Certified Public Accountants

August 20, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWNSHIP OF PERRY MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Township of Perry's (the Township's) financial performance and position, providing an overview of the activities for the year ended March 31, 2008. This analysis should be read in conjunction with the Independent Auditors Report and with the Township's financial statements, which follow this section. The fiscal year ended March 31, 2008 represents the second year the Township has reported under the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by GASB Statement No. 37 Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments – Omnibus and Statement No. 38 Certain Financial Statement Note Disclosures.

Financial Results

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2008:

- State shared revenue, one of our largest revenue sources in the General Fund, decreased approximately \$306.
- Property Taxes and related fees, our second largest revenue source in the General Fund, increased \$12,613 for the year. On a Township basis, this represents an approximate overall increase of 11.8% over the prior year.
- The fund balance of the Township's General Fund increased \$22,660 to \$187,109. The main reason for the increase was the General Fund only transferred \$69,170 to other funds.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities provide information about the activities of the Township of Perry as a whole and represent a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of provided government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of the Township of Perry in more detail than the government-wide financial statements by providing information about the Township's most significant funds.

TOWNSHIP OF PERRY
MANAGEMENT'S DISCUSSION AND ANALYSIS

Township as a Whole

The following table shows, in a condensed format, the net assets of the Township as of March 31, 2008:

Current Assets	\$ 787,348
Capital Assets	<u>528,112</u>
Total Assets	<u>\$1,315,460</u>
Current Liabilities	\$ <u>1,259</u>
Total Liabilities	<u>\$ 1,259</u>
Net Assets	<u><u>\$1,314,201</u></u>

The following table shows the change in net assets for the year ended March 31, 2008:

Program Revenues	
Charges for Services	\$ 31,035
General Revenues	
State Shared Revenues	246,390
Property Tax/Special Assessments	207,123
Unrestricted Investment Earnings	29,475
Franchise Fees	6,111
Gain on Sale of Asset	5,117
Other General Revenues	<u>1,690</u>
Total Revenues	<u>\$ 526,941</u>
Program Expenses	
General Government	\$ 128,629
Health and Welfare	38,531
Public Works	164,398
Sewer	<u>8,815</u>
Total Expenses	<u>\$ 340,373</u>
Change in Net Assets	<u><u>\$ 186,568</u></u>

TOWNSHIP OF PERRY MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

The Township's governmental revenues totaled \$552,285 with the greatest revenue sources being state shared revenues and property taxes and fees, making up approximately 87 percent of total revenues.

The Township incurred expenses of \$428,479 during the year. The majority of the expenses are associated with the general government and public safety functions, as well as the expenses of the Sewer Funds.

The Township's Funds

The analysis of the Township's governmental funds begins on Page 10 following the government-wide financial statements. The fund financial statements provide detailed information about all the general government funds. The analysis of the Sewer Enterprise Funds is presented separately. The Township of Perry's Board of Trustees has the ability to create funds to help manage money for specific purposes as well as to show accountability for certain activities, such as property tax millages and special assessments.

The General Fund pays for the majority of the Township's governmental services. The Road Fund pays for road maintenance. The General fund paid \$146,927 for road maintenance and paving during the year.

General Fund Budgetary Highlights

Over the course of the fiscal year, the Township Board made necessary budget adjustments to fund unanticipated expenditures during the year. Budget amendments were made to cover the expected decrease in state shared revenue. However, because all departments came in under budget at year-end, there was an overall favorable budget to actual variance.

Capital Assets

At the end of the fiscal year, the Township had approximately \$898,551 (valued at historical cost) in assets which includes building, land, furniture, cemetery equipment, office equipment and software. Accumulated depreciation recorded for the general township assets was \$370,439.

TOWNSHIP OF PERRY MANAGEMENT'S DISCUSSION AND ANALYSIS

Current Economic Factors

Revenue sharing is the most significant budgetary concern at this time. The State of Michigan is experiencing significant budget problems, and as they look for solutions, revenue sharing continues to be under attack.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we encourage you to contact a Township official at the Township Hall at (517) 625-4597.

BASIC
FINANCIAL STATEMENTS

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
MARCH 31, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and Investments	\$ 646,526	\$ 51,240	\$ 697,766	\$56,978
Receivables (Within One Year)	50,001	240	50,241	89
Due from Other Funds	16,863		16,863	
Due from Other Governments	22,478		22,478	
Capital assets not being depreciated	210,388		210,388	
Capital assets being depreciated, net	<u>317,724</u>		<u>317,724</u>	
TOTAL ASSETS	<u>\$1,263,980</u>	<u>\$ 51,480</u>	<u>\$1,315,460</u>	<u>\$57,067</u>
Liabilities				
Due to Other Funds	\$ 1,259	\$	\$ 1,259	\$
TOTAL LIABILITIES	<u>\$ 1,259</u>	<u>\$</u>	<u>\$ 1,259</u>	<u>\$</u>
Net Assets				
Invested in Capital Assets (Net of Related Debt)	\$ 528,112	\$	\$ 528,112	\$
Unrestricted	<u>734,609</u>	<u>51,480</u>	<u>786,089</u>	<u>57,067</u>
TOTAL NET ASSETS	<u>\$1,262,721</u>	<u>\$ 51,480</u>	<u>\$1,314,201</u>	<u>\$57,067</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government:				
Governmental Activities:				
General Government	\$128,629	\$27,195	\$	\$(101,434)
Health & Welfare	38,531			(38,531)
Public Works	164,398			(164,398)
Total Governmental Activities	<u>\$331,558</u>	<u>\$27,195</u>	<u>\$</u>	<u>\$(304,363)</u>
Business Type-Activities:				
Sewer	\$ 8,815	\$ 3,840	\$	\$ (4,975)
Total Business-Type Activities	<u>\$ 8,815</u>	<u>\$ 3,840</u>	<u>\$</u>	<u>\$ (4,975)</u>
Total Primary Government	<u>\$340,373</u>	<u>\$31,035</u>	<u>\$</u>	<u>\$(309,338)</u>
Component Unit:				
Development Authority	\$ 13,795	\$	\$	\$ (13,795)
Total Component Unit	<u>\$ 13,795</u>	<u>\$</u>	<u>\$</u>	<u>\$ (13,795)</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED MARCH 31, 2008

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Changes in Net Assets				
Net (Expense) Revenue	<u>\$ (304,363)</u>	<u>\$ 4,975</u>	<u>\$ (309,338)</u>	<u>\$(13,795)</u>
General Revenues:				
Property Taxes/Special Assessments	\$ 207,123	\$	\$ 207,123	\$ 24,071
State Shared Revenue	246,390		246,390	
Franchise Fees	6,111		6,111	
Other Miscellaneous Income	1,690		1,690	
Unrestricted Investment Earnings	27,776	1,699	29,475	1,535
Gain on Sale of Asset	<u>5,117</u>	<u></u>	<u>5,117</u>	<u></u>
Total General Revenues	<u>\$ 494,207</u>	<u>\$ 1,699</u>	<u>\$ 495,906</u>	<u>\$ 25,606</u>
Change in Net Assets	\$ 189,844	\$ (3,276)	\$ 186,568	\$ 11,811
Net Assets, Beginning Of Year	<u>1,072,877</u>	<u>54,756</u>	<u>1,127,633</u>	<u>45,256</u>
Net Assets, End of Year	<u>\$1,262,721</u>	<u>\$ 51,480</u>	<u>\$1,314,201</u>	<u>\$ 57,067</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2008

	General Fund	Road Fund	Special Assessment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash & Cash Equivalents	\$107,167	\$159,192	\$ 46,087	\$ 334,080	\$646,526
Due from Other Funds	15,234		370	1,259	16,863
Due from Other Gov't Units - (Deliq Taxes)	16,138		5,991	349	22,478
Receivables	48,570			1,431	50,001
TOTAL ASSETS	<u>\$187,109</u>	<u>\$159,192</u>	<u>\$ 52,448</u>	<u>\$ 337,119</u>	<u>\$ 735,868</u>
LIABILITIES & FUND BALANCES					
LIABILITIES:					
Due to Other Funds	\$ _____	\$ _____	\$ 1,259	\$ _____	\$ 1,259
TOTAL LIABILITIES	\$ _____	\$ _____	\$ 1,259	\$ _____	\$ 1,259
FUND BALANCES:					
Unreserved	\$187,109	\$159,192	\$ 51,189	\$ 337,119	\$734,609
TOTAL FUND BALANCES	<u>\$187,109</u>	<u>\$159,192</u>	<u>\$ 51,189</u>	<u>\$ 337,119</u>	<u>\$734,609</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$187,109</u>	<u>\$159,192</u>	<u>\$ 52,448</u>	<u>\$ 337,119</u>	<u>\$735,868</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
MARCH 31, 2008

Fund Balances – Total Governmental Funds	\$ 734,609
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Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds.

Add: Capital Assets	898,551
Deduct: Accumulated Depreciation	<u>(370,439)</u>

Net Assets of Governmental Activities	<u>\$1,262,721</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2008

	General <u>Fund</u>	Road <u>Fund</u>	Special Assessment <u>Fund</u>	Other Gov't <u>Funds</u>	Total Gov't <u>Funds</u>
REVENUES:					
Property Taxes	\$ 139,023	\$	\$ 68,100	\$	\$207,123
Charges for Service	25,995			1,200	27,195
Intergovernmental –State	246,390				246,390
Interest	6,616	3,534	336	17,290	27,776
Miscellaneous Other Revenues	<u>13,801</u>				<u>13,801</u>
TOTAL REVENUES	\$ 431,825	\$ 3,534	\$ 68,436	\$ 18,490	\$522,285
EXPENDITURES:					
General Government	\$ 225,484	\$	\$	\$ 66	\$225,550
Health & Welfare	18,394		20,137		38,531
Public Works	<u>156,238</u>		<u>8,160</u>		<u>164,398</u>
TOTAL EXPENDITURES	\$ 400,116	\$	\$ 28,297	\$ 66	\$428,479
Revenues Over (Under) Expenditures	\$ 31,709	\$ 3,534	\$ 40,139	\$ 18,424	\$ 93,806
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 60,121	\$ 73,170	\$	\$	\$ 133,291
Transfers Out	<u>(69,170)</u>	<u>(54,540)</u>		<u>(9,581)</u>	<u>(133,291)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ (9,049)	\$ 18,630	\$	\$ (9,581)	\$
Net Change in Fund Balances	\$ (22,660)	\$ 22,164	\$ 40,139	\$ 8,843	\$ 93,806
Fund Balances April 1, 2007	<u>164,449</u>	<u>137,028</u>	<u>11,050</u>	<u>328,276</u>	<u>640,803</u>
FUND BALANCES, MARCH 31, 2008	<u>\$ 187,109</u>	<u>\$159,192</u>	<u>\$ 51,189</u>	<u>\$337,119</u>	<u>\$734,609</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2008

Net change in fund balances – total governmental funds \$ 93,806

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: Capital outlay	121,654	
Deduct: Depreciation expense	<u>24,733</u>	96,921

In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The governmental funds recognize only the proceeds from these sales.

Loss on the sale of capital assets.	<u>(883)</u>
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Change in net assets of governmental activities	<u>\$189,844</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
MARCH 31, 2008

	<u>Sewer Fund</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 51,240
Receivables	<u>240</u>
TOTAL ASSETS	<u>\$ 51,480</u>
NET ASSETS:	
Unrestricted	\$ 51,480
TOTAL NET ASSETS	<u>\$ 51,480</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31,2008

	<u>Sewer Fund</u>
OPERATING REVENUES:	
Maintenance Fees	\$ 3,840
TOTAL OPERATING REVENUES	<u>\$ 3,840</u>
OPERATING EXPENSES:	
Operation Payments	\$ 1,800
Repairs & Maintenance	6,900
Utilities	<u>115</u>
TOTAL OPERATING EXPENSES	<u>\$ 8,815</u>
OPERATING INCOME (LOSS)	\$ (4,975)
NON-OPERATING REVENUES:	
Interest on Investments	\$ 1,699
TOTAL NON-OPERATING REVENUES	<u>\$ 1,699</u>
Change in Net Assets	<u>\$ (3,276)</u>
Net Assets, Beginning of Year	<u>54,756</u>
NET ASSETS, END OF YEAR	<u>\$ 51,480</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers and Users	\$ 4,200
Payments to Suppliers	<u>(8,815)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (4,615)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment Income – Interest	<u>\$ 1,699</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>\$ 1,699</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ (2,916)
Cash and Cash Equivalents, Beginning of Year	<u>54,156</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>\$51,240</u>
Statement of Net Asset Classification of Cash and Cash Equivalents	<u>\$51,240</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$51,240</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
FOR THE YEAR ENDED MARCH 31, 2008

Reconciliation of Operating Income (Loss) to	
Net Cash Provided by Operating Activities:	
Operating Income	\$ (4,975)
Adjustments to Reconcile Operating Income (Loss)	
to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Receivables	<u>360</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (4,615)</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
BALANCE SHEET
COMPONENT UNIT
MARCH 31, 2008

TOWNSHIP OF PERRY
DEVELOPMENT
AUTHORITY

ASSETS:

Cash and Cash Equivalents	\$ 56,978
Receivables	<u>89</u>
TOTAL ASSETS	<u>\$ 57,067</u>

FUND BALANCE:

Unreserved	<u>\$ 57,067</u>
TOTAL FUND BALANCE	<u>\$ 57,067</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPONENT UNIT
FOR THE YEAR ENDED MARCH 31, 2008

TOWNSHIP OF PERRY
DEVELOPMENT
AUTHORITY

REVENUES:

Property Taxes	\$ 24,071
Interest Income	<u>1,535</u>
TOTAL REVENUES	<u>\$ 25,606</u>

EXPENDITURES:

Attorney Fees	\$ 525
Contracted Services	<u>13,270</u>
TOTAL EXPENDITURES	<u>\$ 13,795</u>

EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 11,811</u>
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Fund Balance at April 1, 2007	<u>45,256</u>
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FUND BALANCE AT March 31, 2008	<u>\$ 57,067</u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Perry conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Local Governmental Unit:

A – REPORTING ENTITY

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there is one component unit that needs to be included in the Townships annual report.

B - DISCRETELY PRESENTED COMPONENT UNIT

Township of Perry Development Authority is used for the planning of improvements in the downtown district. Board members are appointed by the Board. The Development Authority is fiscally dependent upon Township, because the Board approves its budget, levies taxes and must approve any debt issuance. The Development Authority is presented as a governmental type fund.

C – GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

D - MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, income taxes, licenses, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Township reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Road Funds – The Road Fund is used to account for monies received and disbursed for the maintenance of the Township's roads.

Special Assessment Fund – The Special Assessment Fund is used to account for monies received and disbursed for maintenances of Township Street Lights, Thornapple Road maintenance and Ambulance Protection.

The Township reports the following non-major proprietary fund:

The Sewer Fund is used to account for sewer services to the residents of the Township. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations and related debt service.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2008

D – MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION (CONTINUED)

The Township reports the following non-major funds:

Cemetery Fund – The Cemetery Fund is used to account for monies received and disbursed for the maintenance of the Township's cemetery.

Improvement Fund – The Improvement Fund is used to account for money set aside by the Township Board for future improvements within the Township.

Investment Fund – The Investment Fund is used to account for money set aside by the Township Board for short-term investments.

Land & Building Fund – The Land and Building Fund is used to account for money set aside by the Township Board for future building improvements or land purchases within the Township.

Paving Fund – The Paving Fund is used to account for monies received and disbursed for paving.

Additionally, the government reports the following fund types:

Agency Fund – The tax collection fund is used to receive the Township's current tax and to distribute such monies to the local school districts, County and Township Funds.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to (to also) follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for services. The sewer fund also recognizes the portion of tap fees intended to recover current costs (e.g. labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as non-operating revenue. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

E – ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Bank Deposits and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Certificates of Deposit with a maturity date of three months or less are considered short term investments.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. At March 31, 2008 there were no prepaid items.

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Roads	10 to 30 years
Other Infrastructure	30 years
Cemetery Equipment	7 to 15 years
Furniture & Fixtures	5 to 7 years

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

E – ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

Compensated Absences (Vacation and Sick Leave) – The Township does not have a policy for paid vacation or sick leave. There are no expenditures recorded for sick leave or vacation pay.

Long-Term Obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. Annual appropriated budgets are adopted for General, Special Revenue, Capital Projects Funds.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. (Alternative: Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered).

NOTE 3 – DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the local governmental unit to make deposits and invest in the account of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investment and Deposit Risk:

Interest Rate Risk – State law limits the allowable investments and the maturities of some of the allowable investments as identified in the above list of authorized investments. The Township's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments to specific government securities, certificates of deposit and bank accounts with qualified institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments above. In compliance with State law, the Township's investment policy limits investments to the top two ratings issued by nationally recognized statistical rating organizations. The Township's investment policy does not have specific limits in excess of state law on investment credit risk.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned. State law does not require and the Township does not have a policy for deposit custodial credit risk. As of year end \$397,826 of the Township's bank deposits of \$780,185 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the Township does not have a policy for investment custodial credit risk. There were no investments held by the Township at year end.

Concentration of Credit Risk – State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The Township's investment policy does not have specific limits in excess of state law on concentration of credit risk. There were no investments that exceeded 5% of the Township's total investments at year end.

At year end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Deposits</u>	<u>FDIC Insured</u>	<u>Uninsured</u>
Government-Wide Financial Statements:			
Checking	\$530,205	\$156,919	\$373,286
Certificates of Deposit	<u>224,540</u>	<u>200,000</u>	<u>24,540</u>
CASH & INVESTMENTS	<u>\$754,745</u>	<u>\$356,919</u>	<u>\$397,826</u>
Fiduciary Fund Financial Statements:			
Checking	<u>\$ 25,440</u>	<u>\$ 25,440</u>	<u>\$ 0</u>

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2008 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 210,388	\$ _____	\$ _____	\$ 210,388
Capital Assets being Depreciated:				
Buildings	\$ 266,945	\$ 24,244	\$ _____	\$ 291,189
Cemetery Equipment	46,861		(1,030)	45,831
Public Infrastructure	122,561	97,410		219,971
Furniture & Fixtures	<u>131,172</u>	<u>_____</u>	<u>_____</u>	<u>131,172</u>
TOTAL CAPITAL ASSETS BEING DEPRECIATED	<u>\$ 567,539</u>	<u>\$121,654</u>	<u>\$ (1,030)</u>	<u>\$ 688,163</u>
Less Accumulated Depreciation for:				
Buildings	\$ (182,592)	\$ (3,974)	\$ _____	\$ 186,566
Cemetery Equipment	(26,556)	(1,814)	147	28,223
Public Infrastructure	(26,140)	(12,620)		38,760
Furniture & Fixtures	<u>(110,565)</u>	<u>(6,325)</u>	<u>_____</u>	<u>116,890</u>
TOTAL ACCUMULATED DEPRECIATION	<u>\$ (345,853)</u>	<u>\$ (24,733)</u>	<u>\$ 147</u>	<u>\$ 370,439</u>
Total Capital Assets being Depreciated, Net	<u>221,686</u>	<u>96,921</u>	<u>(883)</u>	<u>317,724</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 432,074</u>	<u>\$ 96,921</u>	<u>\$ (883)</u>	<u>\$ 528,112</u>

Depreciation was charged to functions of the primary government as follows:

Governmental Activities:	
General Government	<u>24,733</u>
Total Depreciation Expense-Governmental Activities	<u>\$24,733</u>

TOWNSHIP OF PERRY
SHIAWASSEE COUNTY, MICHIGAN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at March 31, 2008 is as follows:

<u>Fund</u>	<u>Due From Receivable</u>	<u>Due To Payable</u>
General	\$ 15,234	\$
Special Assessment	370	1,259
Investment	1,259	
Tax		15,604
	<u>\$ 16,863</u>	<u>\$16,863</u>

The composition of interfund transfers at March 31, 2008 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 60,121	\$ 60,170
Road	64,170	54,540
Cemetery		2,520
Paving		7,061
	<u>\$124,291</u>	<u>\$ 124,291</u>

NOTE 6 – RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, injuries and illnesses of employees; and natural disasters. The Township carries commercial insurance to cover any potential claims associated with these risks and has no claims that exceeded coverage during the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

TOWNSHIP OF PERRY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes:				
Property Taxes	\$ 84,000	\$ 89,313	\$ 87,417	\$ 1,896
425 Tax Agreement	10,000	10,000	17,295	(7,295)
Trailer Tax	2,000	2,000	2,272	(272)
Administrative Tax	20,000	25,925	32,039	(6,114)
Intergovernmental-State:				
State Revenue Sharing	240,000	240,000	243,143	(3,143)
Metro Authority	2,000	2,000	3,247	(1,247)
Charges for Services:				
Perry School Tax Adm. Fee	3,400	3,400	4,185	(785)
Licenses and Permit Fees	1,500	75	75	
Cemetery Fees	13,200	13,200	15,410	(2,210)
Hall Rentals	8,500	8,500	6,325	2,175
Interest Income	4,000	2,400	6,616	(4,216)
Miscellaneous Other:				
Cable Franchise	6,800	6,100	6,111	(11)
Dog Licenses	350	350	440	(90)
School Election Reimb.	3,000	1,000	1,065	(65)
Sale of an Asset		6,000	6,000	
Other Revenues	2,000	3,963	68	3,895
Refunds & Rebates	<u>300</u>	<u>100</u>	<u>117</u>	<u>(17)</u>
TOTAL REVENUES	<u>\$401,050</u>	<u>\$414,326</u>	<u>\$431,825</u>	<u>\$ (17,499)</u>

TOWNSHIP OF PERRY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
General Government:				
Township Board	\$ 4,600	\$ 4,600	\$ 3,560	\$ 1,040
Supervisor	15,258	16,433	16,120	313
Elections	10,100	10,100	6,864	3,236
Audit	8,000	8,000	5,150	2,850
Assessor	21,000	21,000	19,993	1,007
Legal Services	7,500	7,500	3,500	4,000
Clerk	27,450	27,450	23,448	4,002
Tax Preparation	8,500	8,500	8,090	410
Board of Review	1,350	1,350	1,174	176
Treasurer	26,950	26,950	22,422	4,528
Building & Grounds	55,150	55,150	25,069	30,081
Cemetery	55,500	59,000	53,500	5,500
Planning Commission	<u>6,350</u>	<u>6,350</u>	<u>2,279</u>	<u>4,071</u>
TOTAL GENERAL GOVERNMENT	\$247,708	\$252,383	\$191,169	\$ 61,214
Health & Welfare:				
Emergency Services	<u>\$ 20,500</u>	<u>\$ 25,813</u>	<u>\$ 18,394</u>	<u>\$ 7,419</u>
TOTAL HEALTH & WELFARE	\$ 20,500	\$ 25,813	\$ 18,394	\$ 7,419
Public Works:				
Drains at Large	\$ 10,000	\$ 10,000	\$ 5,311	\$ 4,689
Highways & Streets	102,000	156,540	146,927	9,613
Engineering	<u>10,000</u>	<u>10,000</u>	<u>4,000</u>	<u>6,000</u>
TOTAL PUBLIC WORKS	\$122,000	\$176,540	\$156,238	\$ 20,302
Other:				
Retirement	\$ 17,000	\$ 21,463	\$ 14,285	\$ 7,178
Office Supplies	4,000	4,000	2,310	1,690
Dues & Subscriptions	3,500	3,500	2,488	1,012
Printing & Publishing	3,000	3,000	2,312	688
Insurance	9,000	9,000	7,936	1,064
Repairs & Maintenance	2,000	2,000		2,000
Contributions	9,000	9,000	4,725	4,275
Equipment	2,000	2,000		2,000
Contingencies	<u>31,342</u>	<u>30,167</u>	<u>259</u>	<u>29,908</u>
TOTAL OTHER	<u>\$ 80,842</u>	<u>\$ 84,130</u>	<u>\$ 34,315</u>	<u>\$ 49,815</u>
TOTAL EXPENDITURES	<u>\$471,050</u>	<u>\$538,866</u>	<u>\$400,116</u>	<u>\$138,750</u>

TOWNSHIP OF PERRY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (70,000)	\$(124,540)	\$ 31,709	\$(156,249)
OTHER FINANCING SOURCES (USES):				
Transfers In	\$ 2,000	\$ 56,540	\$ 60,121	\$ (3,581)
Transfers Out			<u>(69,170)</u>	<u>69,170</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 2,000</u>	<u>\$ 56,540</u>	<u>\$ (9,049)</u>	<u>\$ 65,589</u>
Excess of Revenues over (under) Expenditures and Other Sources (Uses) of Funds	<u>\$ (68,000)</u>	<u>\$ (68,000)</u>	\$ 22,660	<u>\$ (90,660)</u>
Fund Balance, April 1, 2007			<u>\$ 164,449</u>	
FUND BALANCE MARCH 31, 2008			<u>\$ 187,109</u>	

TOWNSHIP OF PERRY
ROAD FUND
BUDGETARY COMPARISON SCHEDULE
ENDED MARCH 31, 2008

	Original Budget	Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest Income	\$ 2,500	\$ 2,500	\$ 3,534	\$ (1,034)
TOTAL REVENUES	\$ 2,500	\$ 2,500	\$ 3,534	\$ (1,034)
EXPENDITURES:				
Road Maintenance	\$	\$ 40,900	\$	\$ 40,900
Contingency	138,694	97,794		97,794
TOTAL EXPENDITURES	\$ 138,694	\$ 138,694	\$	\$ 138,694
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(136,194)	\$(136,194)	\$ (3,534)	\$(139,728)
OTHER FINANCING SOURCES (USES):				
Transfers from Other Funds	\$ 3,000	\$ 3,000	\$ 18,630	\$ (15,630)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$(133,194)	\$(133,194)	\$ 22,164	\$(155,358)
Fund Balance, April 1, 2007			137,028	
FUND BALANCE, MARCH 31, 2008			\$159,192	

TOWNSHIP OF PERRY
SPECIAL ASSESSMENTS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Property Taxes –				
Special Assessment	\$ 6,100	\$ 56,100	\$ 68,100	\$ (12,000)
Interest Income			336	(336)
TOTAL REVENUES	<u>\$ 6,100</u>	<u>\$ 56,100</u>	<u>\$ 68,436</u>	<u>\$ (12,336)</u>
EXPENDITURES:				
Thornapple Road	\$ 5,252	\$ 5,252	\$ 3,926	\$ 1,326
Clifford Lights	2,800	2,800	2,661	139
Bennett Drive Lights	1,150	1,150	1,090	60
Lights at Large	400	500	483	17
Ambulance		50,000	20,137	29,863
Contingency	<u>7,397</u>	<u>7,297</u>		<u>7,297</u>
TOTAL EXPENDITURES	<u>\$ 16,999</u>	<u>\$ 66,999</u>	<u>\$ 28,297</u>	<u>\$ 38,702</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(10,899)</u>	<u>\$(10,899)</u>	<u>\$ 40,139</u>	<u>\$ (51,038)</u>
OTHER SOURCES (USES) OF FUNDS:				
Transfer from Other Funds	_____	_____	_____	_____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$(10,899)</u>	<u>\$(10,899)</u>	<u>\$ 40,139</u>	<u>\$ (51,038)</u>
Fund Balance – April 1, 2007			<u>11,050</u>	
FUND BALANCE, MARCH 31, 2008			<u>\$ 51,189</u>	

TOWNSHIP OF PERRY
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2008

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
License & Permit Fee	\$ 2,000	\$	\$	\$
Maintenance Fee	2,000	2,000	3,840	(1,840)
Interest Income	<u>2,000</u>	<u>1,650</u>	<u>1,699</u>	<u>(49)</u>
TOTAL REVENUES	\$ 6,000	\$ 3,650	\$ 5,539	\$ (1,889)
EXPENDITURES:				
Operation Payment	\$ 1,800	\$ 1,800	\$ 1,800	\$
Repairs & Maintenance		7,000	6,900	100
Utilities	150	150	115	35
Contingency	<u>58,206</u>	<u>48,856</u>		<u>48,856</u>
TOTAL EXPENDITURES	\$ 60,156	\$ 57,806	\$ 8,815	\$ 48,991
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>\$(54,156)</u>	<u>\$(54,156)</u>	\$ (3,276)	<u>\$(50,880)</u>
Fund Balance, April 1, 2007			<u>54,756</u>	
FUND BALANCE, MARCH 31, 2008			<u>\$ 51,480</u>	

TOWNSHIP OF PERRY
COMPONENT UNIT
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED MARCH 31, 2008

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
REVENUES:				
Property Taxes	\$ 20,567	\$ 20,567	\$ 24,071	\$ (3,504)
Interest Income	<u>293</u>	<u>293</u>	<u>1,535</u>	<u>(1,242)</u>
TOTAL REVENUES	\$ 20,860	\$ 20,860	\$ 25,606	\$ (4,746)
EXPENDITURES:				
Attorney Fees	\$ 2,000	\$ 2,000	\$ 525	\$ 1,475
Contracted Services	20,000	20,000	13,270	6,730
Engineering	20,000	20,000		20,000
Contingency	<u>24,116</u>	<u>24,116</u>		<u>24,116</u>
TOTAL EXPENDITURES	\$ <u>66,116</u>	\$ <u>66,116</u>	\$ <u>13,795</u>	\$ <u>52,321</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(45,256)</u>	<u>\$(45,256)</u>	\$ 11,811	<u>\$(57,067)</u>
Fund Balance, April 1, 2007			<u>45,256</u>	
FUND BALANCE, MARCH 31, 2008			<u>\$ 57,067</u>	

OTHER SUPPLEMENTARY INFORMATION

TOWNSHIP OF PERRY
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2008

	<u>Other Governmental Funds</u>				
	Cemetery Fund	Improvement Fund	Investment Fund	Land and Building Fund	Paving Fund
ASSETS					Non-Major Gov't Funds
Cash & Cash Equivalents	\$60,912	\$102,600	\$ 68,864	\$101,603	\$ 101
Taxes Receivable – Delinquents Receivables			809	622	349
Due from Other Funds			1,259		1,431
TOTAL ASSETS	<u>\$60,912</u>	<u>\$102,600</u>	<u>\$ 70,932</u>	<u>\$102,225</u>	<u>\$ 450</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES:					
Accounts Payable	\$	\$	\$	\$	\$
TOTAL LIABILITIES	\$	\$	\$	\$	\$
FUND BALANCE:					
Unreserved	\$60,912	\$102,600	\$ 70,932	\$102,225	\$ 450
TOTAL FUND EQUITY	<u>\$60,912</u>	<u>\$102,600</u>	<u>\$ 70,932</u>	<u>\$102,225</u>	<u>\$ 450</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$60,912</u>	<u>\$102,600</u>	<u>\$ 70,932</u>	<u>\$102,225</u>	<u>\$ 450</u>
					<u>\$337,119</u>

TOWNSHIP OF PERRY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
MARCH 31, 2007

	Cemetery Fund	Improvement Fund	Investment Fund	Land and Building Fund	Paving Fund	Non-Major Gov't Funds
REVENUES:						
Perpetual Care Fees	\$ 1,200	\$	\$	\$	\$	\$ 1,200
Interest - Unrealized Gain	<u>6,170</u>	<u>4,076</u>	<u>3,035</u>	<u>3,978</u>	<u>31</u>	<u>17,290</u>
TOTAL REVENUES	\$ <u>7,370</u>	\$ <u>4,076</u>	\$ <u>3,035</u>	\$ <u>3,978</u>	\$ <u>31</u>	\$ <u>18,490</u>
EXPENDITURES:						
Other Expense	\$	\$ 30	\$ 36	\$	\$	\$ 66
TOTAL EXPENDITURES	\$	\$ 30	\$ 36	\$	\$	\$ 66
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 7,370	\$ 4,046	\$ 2,999	\$ 3,978	\$ 31	\$ 18,424
FINANCING OTHER SOURCES (USES) OF FUNDS:						
Transfers (Out)	\$ (2,520)	\$	\$	\$	\$ (7,061)	\$ (9,581)
TOTAL OTHER FINANCING SOURCES (USES)	\$ (2,520)	\$	\$	\$	\$ (7,061)	\$ (9,581)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 4,850	\$ 4,046	\$ 2,999	\$ 3,978	\$ (7,030)	\$ 8,843
Fund Balance - April 1, 2007	<u>56,062</u>	<u>98,554</u>	<u>67,933</u>	<u>98,247</u>	<u>7,480</u>	<u>328,276</u>
FUND BALANCE - MARCH 31, 2008	\$ <u>60,912</u>	\$ <u>102,600</u>	\$ <u>70,932</u>	\$ <u>102,225</u>	\$ <u>450</u>	\$ <u>337,119</u>

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
CEMETERY FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS:

Cash and Cash Equivalents	<u>\$60,912</u>
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LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$60,912</u>
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TOWNSHIP OF PERRY
NON-MAJOR FUNDS
CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET
MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
REVENUES:			
Perpetual Care Fees	\$ 1,000	\$ 1,200	\$ (200)
Interest Income	2,550	2,733	(183)
Unrealized Gain on Investment	<u> </u>	<u>3,437</u>	<u>\$ (3,437)</u>
TOTAL REVENUES	\$ 3,550	\$ 7,370	\$ (3,820)
EXPENDITURES	<u>\$ 57,183</u>	<u> </u>	<u>\$ 57,183</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(53,633)	\$ 7,370	\$(61,003)
OTHER SOURCES (USES) OF FUNDS:			
Transfer to Other Funds	<u>(2,520)</u>	<u>(2,520)</u>	<u> </u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$(56,153)</u>	\$ 4,850	<u>\$(61,003)</u>
Fund Balance April 1, 2007		<u>56,062</u>	
FUND BALANCE MARCH 31, 2008		<u>\$ 60,912</u>	

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
IMPROVEMENT FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS:

Cash and Cash Equivalents	<u>\$102,600</u>
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LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$102,600</u>
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TOWNSHIP OF PERRY
NON-MAJOR FUNDS
IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET
MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
REVENUES:			
Interest Income	\$ 2,000	\$ 4,076	\$ (2,076)
TOTAL REVENUES	\$ 2,000	\$ 4,076	\$ (2,076)
EXPENDITURES	\$100,554	\$ 30	\$ 100,524
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (98,554)	\$ 4,046	\$(102,600)
OTHER SOURCES (USES) OF FUNDS:			
Transfer from Other Funds	_____	_____	_____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ (98,554)	\$ 4,046	\$(102,600)
Fund Balance April 1, 2007		98,554	
FUND BALANCE MARCH 31, 2008		\$ 102,600	

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
INVESTMENT FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS:

Cash and Cash Equivalents	\$68,864
Receivables	809
Due from Other Funds	<u>1,259</u>
TOTAL ASSETS	<u>\$70,932</u>

LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$70,932</u>
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TOWNSHIP OF PERRY
NON-MAJOR FUNDS
INVESTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET
MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
REVENUES:			
Interest Income	\$ 300	\$ 3,035	\$ (2,735)
TOTAL REVENUES	\$ 300	\$ 3,035	\$ (2,735)
EXPENDITURES	\$ 66,974	\$ 36	\$ 66,938
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(66,674)	\$ 2,999	\$(69,673)
OTHER SOURCES (USES) OF FUNDS:			
Transfer from Other Funds	_____	_____	_____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$(66,674)</u>	\$ 2,999	<u>\$(69,673)</u>
Fund Balance April 1, 2007		<u>67,933</u>	
FUND BALANCE MARCH 31, 2008		<u>\$ 70,932</u>	

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
LAND AND BUILDING FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS:

Cash and Cash Equivalents	\$101,603
Receivables	<u>622</u>
TOTAL ASSETS	<u>\$102,225</u>

LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$102,225</u>
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TOWNSHIP OF PERRY
NON-MAJOR FUNDS
LAND AND BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET
MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
REVENUES:			
Interest Income	\$ 3,300	\$ 3,978	\$ (678)
TOTAL REVENUES	\$ 3,300	\$ 3,978	\$ (678)
EXPENDITURES	\$101,547	\$ _____	\$ 101,547
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (98,247)	\$ 3,978	\$(102,225)
OTHER SOURCES (USES) OF FUNDS:			
Transfer from Other Funds	_____	_____	_____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ (98,247)	\$ 3,978	\$(102,225)
Fund Balance April 1, 2007		98,247	
FUND BALANCE MARCH 31, 2008		\$ 102,225	

TOWNSHIP OF PERRY
NON-MAJOR FUNDS
PAVING FUND
BALANCE SHEET
MARCH 31, 2008

ASSETS:

Cash and Cash Equivalents	\$ 101
Due from Other Gov't Units (Delinquent Taxes)	<u>349</u>
TOTAL ASSETS	<u>\$ 450</u>

LIABILITIES AND FUND BALANCE:

Fund Balance	<u>\$ 450</u>
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TOWNSHIP OF PERRY
NON-MAJOR FUNDS
PAVING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET
MARCH 31, 2008

	<u>Budget</u>	<u>Actual</u>	Variance with Budget Positive (Negative)
REVENUES:			
Road Paving	\$ 3,075	\$	\$ 3,075
Interest Income	<u>25</u>	<u>31</u>	<u>(6)</u>
TOTAL REVENUES	\$ 3,100	\$ 31	\$ 3,069
EXPENDITURES	<u>\$</u>	<u>\$</u>	<u>\$</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 3,100	\$ 31	\$ 3,069
OTHER SOURCES (USES) OF FUNDS:			
Transfer to Other Funds	<u>(3,506)</u>	<u>(7,061)</u>	<u>3,555</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	<u>\$ (406)</u>	\$ (7,030)	<u>\$ 6,624</u>
Fund Balance April 1, 2007		<u>7,480</u>	
FUND BALANCE MARCH 31, 2008		<u>\$ 450</u>	

TOWNSHIP OF PERRY
BALANCE SHEET – FIDUCIARY FUNDS
TAX COLLECTION FUND
MARCH 31, 2008

ASSETS

Cash	<u>\$25,440</u>
	<u>\$25,440</u>

LIABILITIES

Due to Other Funds	\$15,604
Due to Other Entities	<u>9,836</u>
	<u>\$25,440</u>



DEMIS and WENZLICK, P.C.

Certified Public Accountants

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Joyce Simmons
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Bruce Wenzlick

August 20, 2008

Board of Trustees
Township of Perry
Shiawassee County, Michigan

In compliance with the provisions of Section 11, of Act 2, P.A. of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Perry for the year ended March 31, 2008.

We have no comments or recommendations at this time.

We would like to thank the staff of the Township and the Township Board for the excellent cooperation we received for this year's audit. If we can be of any further assistance to the township please contact us.

Very truly yours,

Demis and Wenzlick, P.C.

Certified Public Accountants